

## Senate Bill No. 456

### CHAPTER 57

An act to add Section 81371.5 to the Education Code, and to amend Section 2 of Chapter 7 of the 1995–96 Second Extraordinary Session, relating to postsecondary education.

[Approved by Governor July 9, 1997. Filed with  
Secretary of State July 10, 1997.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 456, Lewis. Postsecondary education.

(1) Existing law, governing the sale or lease of real property by the governing board of a community college district, requires the governing board to establish a bidding process and to call for oral bids before accepting any written proposal.

This bill would permit, notwithstanding these and other provisions of existing law, the Board of Governors of the California Community Colleges to authorize the governing board of any community college district within Orange County to enter into a negotiated sale of real property owned by the district if that governing board previously opened the bidding process 2 or more times to sell the real property and did not accept any bids.

(2) Existing law, until January 1998, authorizes a community college district in Orange County, that is unable to access funds of the community college district deposited into the county treasury as a result of the financial crisis that led to the filing of a petition for the declaration of bankruptcy of Orange County, to deposit the proceeds derived from the sale of surplus property of the district into the general fund of the district and to expend those proceeds for general fund purposes. Existing law also requires the proceeds from the sale of surplus property to first be used to replenish fully any capital outlay funds or accounts that were lost due to the Orange County financial crisis.

This bill would continue that existing law beyond January 1, 1998, by extending that repeal date to January 1, 2000.

(3) The bill would declare the necessity for a special law applicable only to community college districts in Orange County.

*The people of the State of California do enact as follows:*

SECTION 1. Section 81371.5 is added to the Education Code, to read:

81371.5. Notwithstanding any other provision of this article, the board of governors may authorize the governing board of any



community college district within Orange County to enter into a negotiated sale of real property owned by the district if that governing board previously opened the bidding process two or more times to sell the real property and did not accept any bids.

SEC. 2. Section 2 of Chapter 7 of the 1995-96 Second Extraordinary Session is amended to read:

Sec. 2. Notwithstanding Section 81363 of the Education Code, a community college district that is in Orange County may deposit the proceeds derived from the sale of surplus property into the general fund of the district and use the proceeds for general fund purposes if all of the following conditions are met:

(a) As a result of the financial crisis in Orange County that led to the filing of the petition for the declaration of bankruptcy of the county, the community college district is unable to access all or a portion of the funds of the community college district that were deposited into the county treasury.

(b) The governing board of the community college district has determined that the use of proceeds derived from the sale of surplus property for general fund purposes is necessary because the community college district is not able to access all or a portion of the funds of the community college district that were deposited into the county treasury as a result of the financial crisis leading to the filing of the petition for declaration of bankruptcy of Orange County.

(c) Proceeds derived from the sale of surplus property shall first be used to replenish fully any capital outlay funds or accounts that were lost due to the Orange County financial crisis.

(d) This section shall remain in effect only until January 1, 2000, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2000, deletes or extends that date.

SEC. 3. The Legislature finds and declares that, due to the unique circumstances concerning community college districts in Orange County, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

